

1.42
Ad 45HL

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Agency
Washington 25, D. C.

August 4, 1945

SHEEP AND LAMB PRODUCTION PAYMENT PROGRAM

THE PROVISIONS. The Commodity Credit Corporation will make payments to any person who sells sheep and lambs to legally authorized slaughterers for slaughter. These payments range by calendar periods from \$2.15 to \$3.15 per hundred pounds for heavy lambs weighing over 90 pounds; from \$1.50 to \$2.50 for medium lambs weighing 65 to 90 pounds; and \$1.00 for all other sheep which include yearlings, aged wethers, ewes, bucks, rams, and all lambs weighing less than 65 pounds.

To encourage feeding, the payments offer the highest returns on heavier lambs. The highest monthly payments are on lambs over 90 pounds during months when lambs are normally in light supply (see attached table). Eligible applicants will be paid by CCC through county AAA offices.

THE PURPOSE. Like the beef production payment program, the lamb subsidy is designed to help improve the overall meat situation by --

1. Encouraging the raising and feeding of lambs to heavier weights.
2. Creating a more normal seasonal distribution in marketing of lambs and mutton.
3. Diverting more market lambs into legitimate slaughter channels.
4. Helping producers meet increased costs without increasing consumer prices of lamb and mutton.

THE REASON. Profits of sheep raisers and lamb feeders have been declining because of increased operating expenses. This has caused the number of light lambs and breeding ewes sold for slaughter to be much greater than normal. As a result, the total sheep and lamb population now is the smallest in 17 years. On January 1 of this year, numbers had declined 22 percent since the beginning of 1942.

* * * * *

QUESTIONS AND ANSWERS

1. Who are eligible to receive payment under the program for sheep or lambs sold and delivered or slaughtered on or after August 5, 1945?
 - (a) Any person (except a legally authorized slaughterer) who has sold and delivered eligible sheep or lambs to a legally authorized slaughterer for slaughter, or ---
 - (b) Any legally authorized slaughterer who has raised sheep or lambs and has slaughtered them, or ---
 - (c) Any legally authorized slaughterer who has purchased sheep or lambs for feeding and after feeding not less than 30 days, has slaughtered them, or ---
 - (d) Any legally authorized slaughterer who sells and delivers sheep and lambs which he has either raised or has purchased for feeding, such slaughterer having owned them for not less than 30 days previous to selling, and having sold and delivered them to another legally authorized slaughterer for slaughter.

AUG 10 1945

2. If a slaughterer purchases lambs and certifies them for slaughter, can he sell any of such lambs to another slaughterer for immediate slaughter?

Yes, provided he receives a written memorandum certifying slaughter which he shall attach to the original certification. The sale must not be in violation of the Packers and Stockyards Act.

3. What evidence should be submitted by the seller before payment is made?

He must show whether the animals were lamb or sheep, number, total live weight of the lot, purchase price paid if he did not raise the sheep or lambs, date of delivery and name and address and license number of the legally authorized slaughterer who purchased the sheep or lambs for slaughter. The legally authorized slaughterer or his agent must certify that the sheep or lambs were purchased for slaughter.

4. What evidence is required of a legally authorized slaughterer who applies for payment on sheep or lambs which he purchased?

He must present, on purchase made on or after August 5, 1945, an agreement signed by the seller showing the date of sale, prices received, and that the sheep and lambs were not sold to him for slaughter. On purchase made prior to August 5, 1945, no agreement will be required but he must show that he had fed them at least 30 days. He must also show whether they were lambs or sheep, number, purchase prices paid, and the live weight at the time of slaughter.

5. If sheep or lambs are purchased by a slaughterer or his agent for the purpose of feeding, what certification must be furnished?

A certification in duplicate stating that a lot of lambs or sheep have been purchased for feeding, and showing the number and prices paid, should be furnished the seller or his agent. The seller or agent shall sign one copy and return it to the slaughterer or his agent for the purpose of slaughter evidence when slaughterer or his agent is making application for payment on such lot of sheep or lambs.

6. How does the eligible seller or slaughterer receive payment?

The applicant takes his certification and other evidence to the county AAA office and receives a sight draft on the account of the Commodity Credit Corporation. This draft may be cashed at any local bank.

7. Where should applications be submitted?

In the county where the farm, ranch, or feedlot (where the sheep and lambs were located during the last 30-day period prior to the time for slaughter) is considered located for the purposes of the Agricultural Conservation Program.

8. Who is a legally authorized slaughterer?

Any slaughterer who is operating under Federal inspection or any slaughterer who is operating pursuant to regulations and orders of the OPA.

9. Must a person other than a slaughterer sell his sheep or lambs directly to a legally authorized slaughterer to obtain payment?

Yes.

10. Does each animal in a group, weighed as a single draft, have to weigh within the prescribed range to be eligible for payment?

No. The average weight is acceptable but sheep and lambs of similar weight must be grouped separately.

11. Are sheep and lambs that are sold by the head and not by weight eligible for the payment?

Yes. However, payment will not be made unless the sheep or lambs are weighed.

12. When is the sheep and lamb production payment program effective?

It covers all eligible sheep and lambs sold and delivered to a legally authorized slaughterer for slaughter during the period beginning August 5, 1945, and through June 30, 1946, and sheep and lambs slaughtered during this period.

13. Where a percent shrink is applied to the weight of sheep or lambs, what weight shall be used in determining eligibility?

In all cases the weight used in determining eligibility must be the net weight on which settlement is made.

* * * * *

Complete schedule of payments per hundredweight liveweight for sheep and lambs, August 5, 1945, through June 30, 1946.

	<u>Lambs</u> <u>65 to 90 lbs.</u>	<u>Lambs</u> <u>Over 90 lbs.</u>
August 1945	\$ 1.50	\$ 2.15
September 1945	1.50	2.15
October 1945	1.50	2.15
November 1945	1.50	2.15
December 1945	2.00	2.65
January 1946	2.00	2.65
February 1946	2.50	3.15
March 1946	2.50	3.15
April 1946	2.50	3.15
May 1946	2.00	2.65
June 1946	2.00	2.65

Payment for all other lambs and all sheep, August 5, 1945 through June 30, 1946, will be \$1.00 per hundred-weight.

* * * * *